

**RATE
DETERMINATION
OVERVIEW/
NEGOTIATION
PROCESS**

After a child is determined eligible for adoption assistance as a special needs child, an adoption assistance payment rate is determined.

Note: Prospective adoptive parent(s) may waive their right to have an eligibility determination for adoption assistance by signing section two of the DHS-4081, Intent Statement; see AAM 100, Program Overview.

The adoption assistance payment is intended to assist with expenses of caring for the child; it is not intended to meet all of the costs of raising the child. The adoption assistance rate is not based on the adoptive parent(s) income or a means test. The negotiated adoption assistance rate takes into consideration the needs of the child and the circumstances of the adoptive family. The following steps are used to establish the ongoing daily adoption assistance payment rate:

1. The adoption worker will assist the prospective adoptive parent(s) with completing the DHS-959, Adoption Assistance Rate Determination Worksheet. Completion of the DHS-959 is the first step in the adoption assistance rate negotiation process. The prospective adoptive parent(s) will request a daily adoption assistance rate on the DHS-959, based on the information provided on the form. The requested rate cannot exceed the maximum foster care rate the child is receiving or would receive if placed in a licensed foster family home.
2. After the adoption worker assists the prospective adoptive parent(s) with completing the DHS-959, Adoption Assistance Rate Determination Worksheet, the adoption worker sends the DHS-959 and supporting documentation along with the application packet to the Adoption Subsidy Office.

Note: The DHS-959 takes into consideration the needs of the child and the circumstances of the prospective adoptive family.

3. The Adoption Subsidy Office reviews the information contained in the completed DHS-959, including the rate requested by the prospective adoptive parent(s) and may either accept the

requested rate or determine and offer a new rate based on the information provided. The rate shall not exceed the foster care rate which was paid, or would have been paid if the child had been in a foster family home, which is the maximum adoption assistance daily rate.

4. The Adoption Subsidy Office will prepare and send to the adoption worker a proposed DHS-4113, Adoption Assistance Agreement, which includes the offered adoption assistance rate and the maximum adoption assistance rate.
5. The adoption worker must meet with the prospective adoptive parent(s) to discuss the offered rate and review the agreement.

Note: This discussion must occur within seven calendar days of receipt of the DHS 4113, Adoption Assistance Agreement.

6. The prospective adoptive parent(s) will either accept the offered daily rate and sign the DHS-4113 or reject the offered rate and submit a written request to the Adoption Subsidy Office for a rate review which includes their requested rate and supporting documentation. The prospective adoptive parent(s) must either sign the DHS-4113, or request a rate review within 14 calendar days of receiving the DHS-4113.

Note: Refusal to accept the offered adoption assistance rate, in and of itself, will not result in adverse action by the department.

7. If a rate review is requested, the review will be conducted by the adoption subsidy manager or DHS designee. Within seven calendar days of the review, the Adoption Subsidy Office will either:
 - Send a new DHS-4113, Adoption Assistance Agreement, with a change to the offered rate, to the adoption worker for the required signatures; or
 - Offer a rate review conference with the adoption worker, prospective adoptive parent(s) and the adoption subsidy manager or DHS designee regarding the rate. The rate review conference will be held within 14 calendar days of the offer. A rate determination following a rate review conference will be made by the Adoption Subsidy office within seven calendar days following the conference.

Note: If the prospective adoptive parent(s) does not want a rate review and/or objects to the outcome of the conference, he/she may request an administrative hearing in writing; see AAM 700.

The DHS-4113, Adoption Assistance Agreement, **must** be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.

MAXIMUM RATE DETERMINATION

The Adoption Subsidy Office determines a maximum daily rate for the child's adoption assistance. The adoption assistance maximum rate is determined without regard to the income of the adoptive family. The rate is determined by one of the following:

- The foster care rate the child received in foster care at the time of rate determination.
- In cases where a child is eligible for but not receiving a foster care payment, the foster care payment the child would receive if placed in a licensed foster family home at the time of rate determination.

Both of the above determinations include the current or projected determination of care (DOC) assessment and/or approved rate for the child.

If there is a current or projected determination of care (DOC) rate, the adoption worker must submit the supporting documentation to the Adoption Subsidy Office with the DHS-1341, Adoption Assistance and/or Medical Subsidy Application, for determination of the maximum adoption assistance daily rate. The documentation must support the maximum adoption assistance rate.

Children Not Receiving Family Foster Care Payments

Children whose care is funded through the Family Independence Program (FIP), Supplemental Security Income (SSI), residential facility payments, or other financial support (for example, private agency funds, Department of Community Health funds, or Retirement, Survivors, Disability Insurance (RSDI)) must have a maximum adoption assistance rate set by determining the DHS

foster care rate the child **would** receive if placed in a licensed family foster home. The daily standard foster care rate is used as a base rate for the adoption assistance maximum daily rate. In order to request an adoption assistance rate higher than the daily standard foster care rate, the adoption worker must submit a completed DOC assessment (including supporting documentation) and a cover memo to the DHS local office for approval. The memo must explain the request for approval of a **projected** DOC for the purpose of adoption assistance rate determination. DHS local office approval of the DOC rate is required for an adoption assistance maximum rate above the standard foster care rate.

Required Documentation of Child's Needs

The following documentation must be attached to the DHS-1341, Adoption Assistance and/or Medical Subsidy Application, in order to establish the maximum adoption assistance daily rate for each child. All documentation must be current at the time the **complete** application is received in the Adoption Subsidy Office in order for it to be accepted and not be subject to expiration during the review process.

No DOC Rate

- A copy of the most recent (within the last 6 months) DOC assessment (DHS-470, 470-A, or 1945) must be submitted.

DOC Rate

- Any foster care rate that exceeds the DHS current standard maintenance foster care payment is considered a DOC rate (see FOM-909-33, Determination of Care Supplements for Foster Care). If a child has care needs above a standard foster care maintenance rate, copies of the following foster care documents must be attached.

DOC I, II, III

- A DOC Level I, II, or III requires:
 - A copy of a current **DHS approved** DOC assessment (DHS-470, 470A, or 1945) dated within six months.
 - A copy of the professional documentation that supports the DOC rate, if applicable.

- A copy of the current DHS-66, Updated Service Plan (USP) or DHS-68, Permanent Ward Service Plan (PWSP) dated within three months of received date of application.
- A copy of the DHS-67, Parent-Agency Treatment Plan & Service Agreement (for children receiving foster care payments), dated within three months of received date of application.

DOC Rate Above Level III

- A DOC above Level III requires all of the above, plus:
 - A copy of the supporting documents that were submitted to the designated DHS manager to justify the rate.
 - A copy of the professional documentation that supports the DOC rate.
 - A copy of the approval memo from the designated DHS manager.
 - Specific information showing how the exceptional rate was calculated.

**Agreed Upon
Ongoing Rate**

The agreed upon ongoing adoption assistance rate is determined by an agreement between the adoptive parent(s) and the department taking into consideration the circumstances of the prospective adoptive parent(s) and the needs of the child being adopted. The circumstances of the family and the needs of the child are determined through a discussion between the prospective adoptive parent(s) and the adoption worker.

The adoption worker assists the prospective adoptive family in determining the child's needs and the family circumstances by completing the DHS-959, Adoption Assistance Rate Determination Worksheet. The negotiation process may take into account any additional benefits the child may receive such as Retirement, Survivors, Disability Insurance (RSDI) and Veterans Administration (VA) benefits (through birth parent eligibility), insurance settlements or income from trusts. Negotiation must also take into account any additional expenses the family may have after adoption.

The ongoing adoption assistance rate may be set at any rate up to the maximum daily adoption assistance rate determined by the Adoption Subsidy Office. During negotiation, the adoptive parent(s) may agree to less than the maximum adoption assistance daily rate depending on the family's personal circumstances. The adoptive parent(s) may request a renegotiation (up to the maximum adoption assistance daily rate set by the Adoption Subsidy Office) when extraordinary circumstances occur that will impact the child's needs or family circumstances over an extended period of time, using the DHS-959, Adoption Assistance Rate Determination Worksheet.

Note: Supporting documentation is required.

The agreement includes both the maximum adoption assistance rate determined by the Adoption Subsidy Office and the offered ongoing daily adoption assistance rate based on information provided on the DHS-959, Adoption Assistance Rate Determination Worksheet. The agreement must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.

Changes to Child's Needs or Family's Circumstances Before Adoption Finalization

When a child's needs increase or decrease or there are changes to the family's circumstance after an adoption assistance agreement has been issued but prior to the final order of adoption, the adoption worker must notify the Adoption Subsidy Office. The adoption worker must complete and submit the DHS-4817, Adoption Assistance Change Request, a current DHS-959, Adoption Assistance Rate Determination Worksheet and a current DOC form (DHS-470, 470A, or 1945) to the Adoption Subsidy Office. The Adoption Subsidy Office will review the DOC assessment, the DHS-959 and all supporting documentation. The adoption assistance daily rate will be reviewed and a new DHS-4113, Adoption Assistance Agreement, will be issued with the adoption assistance maximum daily rate and an offered daily adoption assistance rate. If the DOC rate has decreased; the maximum adoption assistance rate will decrease, if the DOC has increased, the maximum adoption assistance rate will increase. After the DHS-4113 is issued, the adoption worker must review and discuss the offered ongoing daily adoption assistance rate with the adoptive family and follow steps five through seven under Rate

Determination Overview/Negotiation Process at the beginning of this section. The agreement must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to the final order of adoption.

Standard maintenance Rate Increases after Adoptive Placement

Adoption assistance standard maintenance rates automatically increase when the child has a birthday which would affect the standard maintenance adoption assistance rate or when the legislature authorizes an increase in the standard maintenance adoption assistance rate. DOC rates are set prior to the final order of adoption and are not subject to increases after the adoption finalization.

Renegotiation

The ongoing daily adoption assistance rate may not exceed the maximum daily adoption assistance rate determined prior to the final order of adoption.

If the adoptive parent(s) agree to an ongoing adoption assistance rate that is less than the maximum adoption assistance daily rate indicated on the DHS-4113, they may request a renegotiation of the adoption assistance rate (up to the maximum adoption assistance daily rate determined by the Adoption Subsidy Office) when extraordinary circumstances occur that will impact the child's needs or family circumstances over an extended period of time, using the DHS-959, Adoption Assistance Rate Determination Worksheet.

Note: Supporting documentation is required.

If the adoptive family's circumstances change and the family decides that the ongoing daily adoption assistance rate may be reduced, they may request a reduction of the ongoing daily adoption assistance rate, at any time.

Requests for renegotiation must be made in writing and sent to:

Adoption Subsidy Office
Michigan Department of Human Services
235 S. Grand Ave., Suite 612
P.O. Box 30037

Lansing, MI 48909

The effective date of a renegotiated adoption assistance rate is based on the date of approval from the Adoption Subsidy Office, but no more than 30 calendar days after the date the completed and signed DHS-959, Adoption Assistance Rate Determination Worksheet and supporting documentation were received by the Adoption Subsidy Office. The child is not eligible for an increased payment prior to the effective date. The renegotiated rate is activated when both the adoption subsidy program manager or DHS designee and the adoptive parent(s) have signed the new agreement.

**OTHER
GOVERNMENT
BENEFITS
(SUPPLEMENTAL
SECURITY INCOME
BENEFITS (SSI),
RSDI, VA)**

The adoptive parent(s) should apply to become the representative payee at the time of adoption of children who are eligible for SSI, RSDI, or VA benefits. Adoptive parents should contact their local Social Security Administration (SSA) office for SSI and RSDI. Parents may apply to become the representative payee for VA benefits by contacting the Veteran's Administration. The adoption worker must assist the family in applying for these benefits by providing the claim number under which benefits are received.

A child may be eligible for both adoption assistance payments and SSI. In the case of children who have been eligible for SSI prior to adoption, the adoptive parent(s) must notify the SSA office of the adoption placement at the time the order placing child is issued and the amount of the ongoing monthly adoption assistance payment. The SSA will determine the child's continued eligibility for SSI after placement and the amount of the SSI payment.

If adoptive parent(s) choose to continue payment through SSI and do not request adoption assistance before the final order of adoption, they will not be eligible for adoption assistance payments in the future, unless an administrative hearing determines an error had been made in the case. SSI payments may be reduced or ended if the parent's income increases in the future or if the child's medical condition changes. The adoption worker must discuss this information with the parent(s) prior to adoption placement so that

they can make an informed decision regarding an application for adoption assistance.